

Business E-News-England



15 April 2024

Welcome to our round up of the latest business news for our clients.

Unleash the power of generative AI: A potential game-changer for your business

As accountants, we understand the importance of leveraging technology to drive efficiency and innovation in business operations.

In this article we will introduce you to the concept of *generative artificial intelligence (AI)* and the transformative power it could have for your business.

Now, you might be wondering, what exactly is generative AI?

In simple terms, generative AI is a type of artificial intelligence that can create new content, such as images, text, or even music, based on patterns and examples it has learned from existing data.

Think of it as a creative assistant that can help you generate new ideas, designs, or products.

But how can generative AI benefit your business, especially if you're not tech-savvy?

Let us break it down for you:

Creativity and Innovation:

Generative AI can help you unleash your creativity and drive innovation in your business. Whether you're brainstorming new product designs, marketing campaigns, or business strategies,

generative AI can provide fresh ideas and inspiration to fuel your creativity.

Personalized Customer Experiences:

By analysing customer data and preferences, generative AI can help you create personalised experiences for your customers. Whether it's generating personalised product recommendations, customising marketing messages, or tailoring services to individual needs, generative AI can help you deliver a more engaging customer experience.

Streamlined Operations:

Generative AI can automate repetitive tasks and streamline business operations, saving you time and resources. Whether it's generating reports, analysing data, or automating customer service interactions, generative AI can help you optimise your workflows and focus on more strategic tasks.

Competitive Advantage:

By harnessing the power of generative AI, you can stay ahead of the competition and differentiate your business in the market. Whether it's creating unique content, developing innovative products, or delivering exceptional customer experiences, generative AI can help you stand out from the crowd and attract more customers.

So, how can you access the benefits of generative AI for your business?

Here are a few simple steps to get started:

- Educate Yourself: Take the time to learn more about generative AI and how it can be applied to your business. There are plenty of resources available online, including articles, tutorials, and online courses, to help you understand the basics.
- Explore Tools and Platforms: Look for user-friendly tools and platforms that offer generative AI capabilities. Many software companies offer easy-to-use solutions that require minimal technical expertise, making it accessible to business owners like yourself.
- Start Small: Don't be intimidated by the technology. Start small by experimenting with simple generative AI applications, such as generating text or images, and gradually explore more advanced use cases as you become more comfortable.

Using generative AI can be as simple as entering a question in the text box of a tool such as Chat GPT.

The quality of the response you get will largely depend on the clarity and precision of the question you ask.

By experimenting you will soon get the hang of what it can do.

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In conclusion, generative AI has the potential to unlock new possibilities and drive innovation for you.

By embracing this technology and taking proactive steps to integrate it into your business operations, you can stay ahead of the curve and position your business for success in the digital age.

New R&D tax relief guidance available

For accounting periods beginning on or after 1 April 2024, a *new merged scheme* for research and development tax credit comes into force.

The *new merged scheme* replaces the old RDEC and small and medium-sized enterprise (SME) schemes.

The new scheme reduces the amount of benefit that would generally have been received under the old scheme.

Loss making R&D intensive SME companies can also benefit from additional support through ***Enhanced R&D Intensive Support (ERIS)***.

Broadly speaking, if a company's R&D expenditure amounts to at least 30% of its total expenditure then it may qualify as R&D intensive.

HMRC has published guidance on how to claim, but if you need any help with an R&D claim or wonder if your business could make a claim, please contact us at any time.

Guidance on the merged scheme and ERIS can be found here:

<https://www.gov.uk/guidance/research-and-development-rd-tax-relief-the-merged-scheme-and-enhanced-rd-intensive-support>

Have you checked your tax code?

Prior to the tax year starting each 6 April, HM Revenue and Customs (HMRC), will issue new tax codes to employees, usually where there is a change of tax code.

These tax codes, a series of letter and numbers, allow employers to deduct the right amount of tax to be deducted from each employee when the payroll is run.

That is, unless the tax code isn't correct.

Therefore, it pays to check that the tax code has been calculated correctly.

The tax code notice usually sets out what has been included.

For instance, it will usually include a person's annual tax-free personal allowance.

What do the numbers and letters making up the tax code mean?

Numeric component

This usually represents the amount of tax-free income an individual is entitled to in a tax year.

For example, a tax code of 1257L indicates a tax-free

allowance of £12,570 for the tax year.

Letter component

This letter indicates specific circumstances or adjustments that apply to the individual's tax code.

Some common letter codes include:

- L – the individual is entitled to the basic tax-free allowance.
- M – marriage allowance is being transferred from a spouse or civil partner.
- K – additional deductions are being made from the individual's pay, such as underpaid tax from previous years or tax on benefits in kind.

It is important to check that a tax code is correct to avoid overpaying or underpaying tax.

If an employee believes their tax code is incorrect or needs adjusting, such as due to a change in personal circumstances or income, they can contact HMRC directly to request a review or update of their tax code.

HMRC will then make any necessary adjustments and send an updated tax code to use in subsequent payroll calculations.

If you need any help with your own or your employees' tax codes, please do not hesitate to contact us.

Flooding support fund for farmers opened.

It has been a difficult winter for many farmers with

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flooding and extreme weather damaging agriculture and property and equipment.

Some farmers have suffered uninsurable damage to their land as a result.

A *Farming Recovery Fund* has now been opened by the government to support these farmers.

The *Rural Payments Agency* are directly contacting eligible farmers to let them know about the support and how to make a claim.

Grants of between £500 and £25,000 are available to eligible farmers.

Initially the fund will be opened to areas where the *Flood Recovery Framework* has already been activated.

Affected areas are *Gloucestershire, Leicestershire, Lincolnshire, Nottinghamshire, Somerset, Warwickshire, West Northamptonshire, Wiltshire and Worcestershire.*

Additional areas are being reviewed.

See: <https://www.gov.uk/government/news/government-opens-fund-to-support-farmers-affected-by-flooding>

Crackdown on retail crime anticipated

The Home Office have reported that the Prime Minister has set out tough new

actions that will provide better protection for the high street and crack down on retail crime.

Assaulting a retail worker is going to be made a standalone criminal offence that could result in being sent to prison for up to six months, a fine of unlimited amount, or a ban.

Criminal Behaviour Orders could be used to bar offenders from visiting specific premises.

Breaching an order might result in a maximum five-year prison sentence.

Causing grievous bodily harm with intent may even result in a life sentence.

Tags will be used where, if an offender is guilty of assaulting staff three times, or, is sentenced for shoplifting on three separate occasions.

Facial recognition technology will also be used to help police enforce the laws.

The news has been warmly welcomed by businesses in the retail sector.

The Coop Group's Paul Gerrard, Campaigns and Public Affairs Director said: *"The Co-op sees every day the violence and threats our colleagues, like other retail workers, face as they serve the communities, they live in. These measures will undoubtedly, when implemented, keep our shopworkers safer, protect the*

shops they work in and help the communities both serve.

See: <https://www.gov.uk/government/news/prime-minister-launches-retail-crime-crackdown>

What can you do to recover a hacked account?

Losing access to any of your digital accounts can be very stressful, and if it's an account you need for work this can be doubly the case.

The *National Cyber Security Centre (NCSC)* produces guidance that can help the self-employed and sole traders as well as any individual recover a hacked account.

First, how can you tell if you've been hacked?

Sometimes it's obvious because you are unable to log into your accounts or an unauthorised purchase or money transfer's been made.

But other telltale signs include:

- changes being made to your security settings,
- receiving messages or notifications from your account that you don't recognise, and
- records of logins from strange places or at unusual times.

Look out for telltale signs in your online accounts.

The NCSC lists the following steps to take so you can recover your account:

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1. Contact your account provider.
2. Check your email account.
3. Change passwords.
4. Log all devices and apps out of your account.
5. Set up 2-step verification.
6. Update your devices.
7. Notify your contacts.
8. Check your bank statements and online shopping accounts.
9. Contact Action Fraud.

More detail on what these steps involve can be found in the guidance.

See:

<https://www.ncsc.gov.uk/guidance/recovering-a-hacked-account>